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November 10, 2014

Stuart Feldstein, Director  
Legislative and Regulatory Activities Division  
Office of the Comptroller of the Currency  
Mail Stop 9W-11  
400 7th Street SW  
Washington, DC 20219  
Docket ID: OCC-2014-0021

Robert de V. Frierson, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551  
Docket No. OP-1497

Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

**Re: Community Reinvestment Act (CRA); Interagency Questions and Answers Regarding Community Reinvestment**

The Low-Income Housing Tax Credit ("LIHTC") Working Group has provided the following comments regarding the proposed Interagency Questions and Answers Regarding Community Reinvestment released by the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Federal Reserve), and the Federal Deposit Insurance Corporation (FDIC), collectively, the "Agencies," on September 10, 2014.

Background on the LIHTC Working Group

The LIHTC Working Group was established to provide a platform for LIHTC industry participants from a wide variety of organizations—for-profit and nonprofit developers, investors, syndicators, and other LIHTC professionals—to work together to resolve technical and administrative LIHTC program issues.

The LIHTC attracts capital to low income communities by providing private investors with a federal tax credit for investments made in affordable rental housing serving qualified low-income residents.

Qualified investments in and loans to qualified properties generally have been recognized by the Agencies under existing regulations and guidance as community development activities eligible for favorable CRA consideration. The proposed CRA questions and answers guidance (the “proposed Q&A Guidance”) are designed to provide help to further clarify how economic development, community development loans, and activities designed to revitalize or stabilize an underserved nonmetropolitan middle-income geography can be eligible for favorable CRA consideration.

In general, we believe the proposed Q&A Guidance is helpful in providing further definition in these areas. However, we note the previous update to the CRA Q&A guidance finalized on November 20, 2013, which helped address how community development activities outside core CRA assessment areas (where most covered financial institution deposits are located) can receive favorable CRA consideration. While we believe that such updated guidance was modestly helpful, we are still concerned that the Q&A guidance is not clear enough to ensure that many worthy LIHTC and other community development activities outside core assessment areas, and we urge the Agencies to provide greater clarity for these activities. We believe many LIHTC investments outside core CRA assessment areas are very responsive to the needs of the communities they serve, and deserve clear favorable CRA consideration.

Changes in how financial institutions operate have weakened the efficiency and effectiveness of assessment areas as a part of CRA examinations. Updating CRA guidance and regulations to address all geographic areas where CRA-regulated institutions provide banking services and giving appropriate credit for CRA activities outside of assessment areas could help correct the geographic imbalances in CRA activity. This change would capture more community development investment and lending activities provided by covered institutions providing primarily online banking services as well as large multi-state banks that serve consumers across a broader geography but may not have deposit taking branches in all of those areas.

### Conclusion

The CRA has been a crucial policy motivating financial institution to invest in community development activities, including LIHTC properties. The LIHTC Working Group appreciates the efforts of the Agencies in clarifying Interagency Q&A guidance to potentially motivate more community development activities. We thank you for this opportunity to provide comments.

We are excited about the positive impact that the LIHTC program is having on the nation’s low-income communities and low-income persons, and its potential for future success. The furtherance of the LIHTC program will better provide affordable housing and help increase the number of jobs in our communities. We appreciate the opportunity to submit our comments to you to explain the importance of retaining the LIHTC as part of the tax code, and we thank you in advance for your time and consideration. Please do not hesitate to contact us if you have any questions regarding our comments or if we can be of further assistance.



**THE LIHTC WORKING GROUP**


Very truly yours,

NOVOGRADAC & COMPANY LLP

by 

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by 

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